

**SEATTLE PARK DISTRICT**  
**KING COUNTY, WASHINGTON**

**RESOLUTION 35**

A RESOLUTION amending the 2020 Seattle Park District revised budget by reallocating and increasing appropriations.

WHEREAS, the World Health Organization (WHO) has declared that COVID-19 disease is a global pandemic, and has raised the health emergency to the highest level requiring dramatic interventions to disrupt the spread of this disease; and

WHEREAS, the restrictions or modified operations of many businesses, facilities, and services during the State of Washington’s “Stay Home, Stay Healthy” order and subsequent phased recovery from the COVID-19 pandemic have severely limited economic activity and resulted in an unanticipated shortfall in tax revenues for the City of Seattle in 2020; and

WHEREAS, restrictions on gathering size and recreation activities have also negatively impacted Seattle Parks and Recreation’s ability to generate revenues from fees and charges for recreation services currently being offered in a diminished capacity or not offered at all; and

WHEREAS, in accordance with RCW 35.61.040, formation of the Seattle Park District became effective and its boundaries established as of August 19, 2014, upon certification of results of the August 5, 2014, election; and

WHEREAS, in accordance with Park District Board of Commissioners Resolutions 4, 6, 13, 18, 25, and 30 adopting Seattle Park District budgets for 2015, 2016, 2017, 2018, 2019, and 2020, appropriations provided in the Park District budget for capital outlays remaining unexpended or unencumbered at the close of each fiscal year shall remain in full force

1 and effect unless otherwise abandoned by the Park District Board of Commissioners via  
2 resolution; and

3 WHEREAS, the Seattle Department of Parks and Recreation and the Seattle Park District did not  
4 fully spend all of the operating funds appropriated in the 2019 Adopted Budget; and

5 WHEREAS, pursuant to Park District Board of Commissioners Resolution 30 Section 1.C the  
6 expenditure allowance for each Budget Summary Level (BSL) in the 2020 Seattle Park  
7 District Operating and Capital Budget may be used only for the purpose listed in the  
8 Operating and Capital Budget for that BSL unless otherwise authorized by the Board of  
9 Commissioners of the Park District through resolution; and

10 WHEREAS, the 2020 Park District operating and capital budget when combined with  
11 unexpended or unencumbered appropriations for capital outlays from previous years  
12 amounts to \$112,026,009, and

13 WHEREAS, The City of Seattle's response to the outbreak of COVID-19 resulted in the de-  
14 prioritization of certain non-critical capital projects; and

15 WHEREAS, current Seattle Park District appropriations need adjustment to support continuity of  
16 operations and provision of core services related to COVID-19 response; and

17 WHEREAS, as a consequence of impacts of the COVID-19 pandemic that resulted in the Seattle  
18 Aquarium's closure to the general public on March 12, 2020 and the subsequent limited  
19 re-opening, the City and Seattle Park District wish to allocate the Park District support  
20 typically used for major maintenance to support Aquarium operations in 2020; and

21 WHEREAS, in 2015, pursuant to Ordinance 124634, the City Treasury established the Parks  
22 Capital Fund to hold revenues generated by the Seattle Park District for use on capital  
23 projects; and

1 WHEREAS, in 2018, pursuant to Ordinance 125492, all assets, liabilities, and fund balance in  
2 the Parks Capital Fund were transferred to the Park and Recreation Fund; and

3 WHEREAS, in 2018 an accounting error encountered during the Citywide accounting system  
4 upgrade to PeopleSoft 9.2 halted the transfer of a reimbursement from the Seattle Park  
5 District Fund to the Parks Capital Fund and created a \$779,602 fund balance liability in  
6 the Park and Recreation Fund; and

7 WHEREAS, in 2018 a separate accounting error encountered during the Citywide accounting  
8 system upgrade to PeopleSoft 9.2 caused an accrued budget amount of \$401,926 to be  
9 erroneously carried over from 2017 to 2018 in the Seattle Park District Fund and  
10 subsequent years despite that amount had been paid out in 2017; and

11 WHEREAS, amendments to the 2020 adopted Seattle Parks and Recreation budget as authorized  
12 by the ordinance introduced as Council Bill 119910 correct the accounting errors caused  
13 by the PeopleSoft 9.2 conversion, and the Park District Board of Commissioners wishes  
14 to correct the 2020 adopted Park District Budget accordingly;

15 NOW, THEREFORE,

16 **BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE SEATTLE PARK**  
17 **DISTRICT, KING COUNTY, WASHINGTON, AS FOLLOWS:**

18 Section 1. Of the total revised 2020 Park District budget dedicated to capital initiatives,  
19 \$16,474,468 of unspent funds so appropriated shall be re-appropriated to 2020 operating  
20 initiatives as described in Section 2 of this resolution.

21 Section 2. Appropriations in Budget Summary Levels supporting 2020 capital expenses  
22 shall be reappropriated to budget summary levels supporting 2020 operating expenses as follows:

<b>Budget Summary Level</b>	<b>Amount</b>
Fix It First	(\$7,102,396)
Building for the Future	(\$9,372,072)
<b>Capital Total</b>	<b>(\$16,474,468)</b>

1

<b>Budget Summary Level</b>	<b>Amount</b>
Parks and Facilities Maintenance and Repairs	\$9,019,992
Departmentwide Programs	\$245,471
Leadership and Administration	\$3,283,418
Golf	\$1,152,000
Recreation Facility Programs	1,581,587
Zoo and Aquarium Programs	\$1,192,000
<b>Operating Total</b>	<b>\$16,474,468</b>

2

Section 3. Of the total \$27,245,070 appropriated in 2019 to fund Park District operating initiatives, \$700,000 of unspent funds lapsed on December 31, 2019, shall be reappropriated to the 2020 fiscal year operating budget.

3

4

<b>Budget Summary Level</b>	<b>Amount</b>
Recreation Facility Programs	\$103,000
Departmentwide Programs	\$20,000
Parks and Facilities Maintenance and Repairs	\$597,000
Parks and Open Space	(\$20,000)
<b>Operating Total</b>	<b>\$700,000</b>

5

Section 4. The accounting errors incurred during the Citywide conversion to PeopleSoft 9.2, 2020 which created a \$779,602 fund balance liability in the Park and Recreation Fund and an erroneous carry-over of \$401,926 in the Seattle Park District Fund shall be corrected by increasing operating appropriations and decreasing 2020 capital appropriations by the following amounts:

6

7

8

9

<b>Budget Summary Level</b>	<b>Amount</b>
Leadership and Administration	\$779,602
<b>Operating Total</b>	<b>\$779,602</b>

10

<b>Budget Summary Level</b>	<b>Amount</b>
Fix It First	\$(401,926)
<b>Capital Total</b>	<b>\$(401,926)</b>

1

1 Section 5. Attachment A to this resolution shows the revised six-year spending plan for the Park  
2 District that reflects changes made to 2020 expenditures. This information is for planning  
3 purposes only and complies with Section 4.3 of the 2014 interlocal agreement between the  
4 Seattle Park District and City of Seattle.

1 Section 6. This resolution takes effect on passage.

2 Adopted by the Seattle Park District this 23rd day of November, 2020, and signed

3 by me in open session in authentication of its adoption this 23rd day of November, 2020.

4   
\_\_\_\_\_

5 President, Seattle Park District

6 ATTEST:

7   
\_\_\_\_\_

8 City Clerk

9 Attachments:

10 Attachment A – Seattle Park District 2015-2020 Spending Plan with 2020 Updates

2015-2020 Park District Spending Plan

	2015	2016	2017	2018	2019 Adopted	2019 Revised	2020 Adopted	2020 Adopted (with carry forward)	2020 Revised
Park District Property Tax	-	47,798,347	49,843,850	51,000,322	52,091,227	52,091,227	53,338,893	53,338,893	53,338,893
Interfund Loan Revenue									
Interest Earnings					700,000	1,600,000	1,300,000	1,300,000	1,300,000
Interfund Loan - Ramp Up Year	10,008,008								
<b>Total Revenues</b>	<b>10,008,008</b>	<b>47,798,347</b>	<b>49,843,850</b>	<b>51,000,322</b>	<b>52,791,227</b>	<b>53,691,227</b>	<b>54,638,893</b>	<b>54,638,893</b>	<b>54,638,893</b>
<b>Operating Expenses</b>									
1.1 Major Maintenance Backlog and Asset Management	1,492,509	1,640,012	619,882	635,379	651,263	764,263	713,165	713,165	713,165
1.3 Saving Our City Forests	99,680	499,175	511,654	524,446	1,933,859	1,933,859	2,067,733	2,067,733	2,638,110
2.1 Increase Preventive Maintenance	844,721	1,417,700	1,453,143	1,489,471	2,711,244	2,711,244	2,922,287	2,922,287	3,726,180
2.2 Provide Clean, Safe, Welcoming Parks	1,839,430	2,088,854	2,141,075	2,194,602	4,242,674	4,242,674	4,613,421	4,613,421	5,923,421
2.4 Make Parks Safer	30,000	243,248	249,329	255,562	261,951	261,951	274,915	274,915	274,915
2.5 Improve Dog Off-leash Areas (2.5 to Capital in 2017)	103,819	106,414							-
3.1 Restore Community Center Operations	1,351,689	1,385,481	2,358,172	2,417,127	4,521,740	4,521,740	4,932,362	4,932,362	6,241,280
3.2 Recreation Opportunities for All	130,105	471,638	483,429	495,515	507,903	507,903	535,407	535,407	315,407
3.3 Better Programs for Young People—Seattle's Future	250,467	256,729	263,147	269,726	1,711,914	1,711,914	1,827,423	1,827,423	1,677,423
3.4 Meeting the Needs of People with Disabilities	166,000	170,150	174,404	178,764	1,143,106	1,143,106	1,227,281	1,227,281	1,227,281
3.5 More Programs for Older Adults	262,000	268,550	275,264	282,145	1,209,166	1,209,166	1,253,893	1,253,893	1,253,893
3.6 Put the Arts in Parks	-	344,488	353,100	361,928	370,976	370,976	386,381	386,381	75,381
3.7 Get Moving Fund	76,644	256,250	262,656	269,223	275,953	275,953	290,270	290,270	235,270
3.8 Customer Service and Technology	-	307,500	315,188	323,067	331,144	438,144	354,941	354,941	3,482,239
4.3 Maintain and Activate Seattle's New Waterfront Park	-	-	-	-	310,000	310,000	340,114	340,114	340,114
4.5 Maintain 14 New Parks at Land-Banked Sites	-	-	-	150,000	625,000	715,000	1,105,004	1,105,004	1,105,004
4.7 Maintain Smith Cove Park	-	-	-	-	-	-	244,696	244,696	244,696
4.9 Activating and Connecting to Greenways	-	118,744	121,713	124,756	-	-	-	-	-
4.10 Performance Monitoring and Strategic Management	439,333	900,634	923,150	946,228	969,884	969,884	1,039,956	1,039,956	1,819,558
4.10 Performance Monitoring and Strategic Management (Legislative)	342,001	-	-	-	-	-	-	-	-
4.11 Urban Parks Partnership	125,000	570,000	684,250	701,356	748,890	748,890	795,348	795,348	1,040,819
5.1 Interfund Loan Payback	-	1,487,592	1,487,592	7,217,803	-	-	-	-	-
1.4 Aquarium Major Maintenance (Operating in 2015 & 2016 budget)	300,000	1,080,000							1,192,000
1.5 Zoo Operations Support					1,938,403	1,938,403	1,938,403	1,938,403	1,938,403
1.6 Ongoing Utility Funding					1,906,000	1,906,000	1,564,000	1,564,000	9,588,702
1.7 Aquatics Programming Support									1,327,809
AWI (Not spread by initiative)						564,000		522,200	522,200
<b>Total Operating</b>	<b>7,853,398</b>	<b>13,613,159</b>	<b>12,677,147</b>	<b>18,837,097</b>	<b>26,371,070</b>	<b>27,245,070</b>	<b>28,427,000</b>	<b>28,949,200</b>	<b>46,903,270</b>
<b>Capital Expenses</b>									
1.1 Major Maintenance Backlog and Asset Management	843,291	16,861,863	18,359,659	18,818,651	13,598,534	12,957,412	14,853,579	38,877,485	32,967,089
1.1a/4.3 Waterfront Redevelopment				-	1,102,551	1,102,551	3,252,412	3,252,412	3,252,412
1.2 Community Center Rehabilitation & Development	358,000	4,329,000	3,399,171	3,484,150	319,499	319,499	376,931	7,866,740	7,866,740
1.3 Saving Our City Forests	353,320	2,196,575	2,251,489	2,307,777	969,169	969,169	1,031,066	1,043,527	1,043,527
1.4 Aquarium Major Maintenance	-	-	1,107,000	1,134,675	1,163,042	1,163,042	1,192,118	2,120,905	526,979
1.5 Zoo Major Maintenance	500,000	1,800,000	1,845,000	1,891,125			48,460	48,460	48,460
2.5 Improve Dog Off-leash Areas (Operating in 2015&2016 budget)	-	-	109,075	111,802	114,597	114,597	117,462	189,399	189,399
2.6 Rejuvenate Our P-Patches	100,000	200,000	205,000	210,125	215,378	215,378	220,763	427,169	427,169
4.1 Park Land Acquisition and Leverage Fund	-	2,000,000	2,050,000	2,101,250	2,153,781	2,153,781	2,207,626	4,256,180	3,256,180
4.2 Major Projects Challenge Fund	-	1,600,000	1,640,000	1,681,000	1,723,025	1,723,025	1,766,101	6,400,737	6,400,737
4.4 Develop 14 New Parks at Land-Banked Sites	-	4,997,750	5,298,308	5,029,887	2,892,335	3,517,335	406,721	12,089,386	6,807,185
4.9 Activating and Connecting to Greenways	-	200,000	205,000	210,125	215,378	215,378	220,763	441,189	151,318
4.6 Develop Smith Cove Park (Funding for direct project costs)	-	550,000	697,000	3,018,879	2,171,276	2,171,276	-	5,442,262	2,642,262
4.12 RDA Relocation-One Time					1,677,000	2,177,000		620,960	620,960
<b>Total Capital</b>	<b>2,154,611</b>	<b>34,735,188</b>	<b>37,166,703</b>	<b>39,999,446</b>	<b>28,315,566</b>	<b>28,799,443</b>	<b>25,694,000</b>	<b>83,076,809</b>	<b>66,200,415</b>
<b>Grand Total</b>	<b>10,008,009</b>	<b>48,348,347</b>	<b>49,843,850</b>	<b>58,836,543</b>	<b>54,686,636</b>	<b>56,044,513</b>	<b>54,121,000</b>	<b>112,026,009</b>	<b>113,103,685</b>
Use of/Contribution to Fund Balance - Interfund Loan Payback	-	-	-	5,730,210	(1,357,592)	(1,357,592)	(1,357,592)		(1,357,592)
Use of Fund Balance - Lapsed Appropriations	-	-	-	-	500,000	500,000			
Use of Fund Balance - One-Time Utility Cash Flow True-Up	-	-	-	-	1,500,000	1,500,000	1,500,000		1,500,000
Use of/Contribution to Fund Balance - Smith Cove Inter-Initiative Loan	-	550,000	-	2,106,000	1,253,000	1,253,000	(697,000)		(697,000)
<b>Total Use of/Contribution to Fund Balance</b>	<b>-</b>	<b>550,000</b>	<b>-</b>	<b>7,836,210</b>	<b>1,895,408</b>	<b>1,895,408</b>	<b>(554,592)</b>		<b>(554,592)</b>

**General notes:**

Initiatives shaded in gray in the Reference # column have both capital and operating costs.  
Revenues and expenditures assume 2.5% inflationary increases.

**Notes on Budget Changes by Year**

**2019 Adopted and 2020 Endorsed**

2019 and 2020 reflect many shifts among Initiatives, including the following:

Reducing \$10 million from capital initiatives. This includes the reduction of \$4.8 million from Initiative 1.1, \$3.3 million from Initiative 1.2, and \$1.9 million from Initiative 1.5 (capital). The funding in these capital projects will be backfilled by Real Estate Excise Tax.

Increasing operating initiatives by \$10 million, including an *addition* of \$1.2 million to Initiative 2.1, \$1.7 million to Initiative 2.2, \$1.8 million to Initiative 3.1, \$1.4 million to Initiative 3.3, \$1 million to Initiative 3.4, \$900,000 to Initiative 3.5, and \$1.9 million to a new operating Initiative 1.5. These costs were formerly supported by the General Fund.

Realignment of planned expenses among initiatives to reflect current demands and capture efficiencies, including shifting \$1.4 million from capital to operating activities in Initiative 1.3, shifting \$250,000 of costs from Initiative 4.5 to Initiative 2.2, and shifting \$128,000 of funding from Initiative 4.9 (operating) to Initiative 3.5.

Adding \$1.5 million of expense in new initiative 1.x to support utility funding, using reserved fund balance. This is a one-time shift for 2019 and 2020 only, and these additional costs will need to be addressed in the next six-year spending plan.

Adding \$1.7 million of one-time funding in 2019 for tenant improvements at a new leased office space. This includes \$477,000 of existing appropriation from Initiative 1.1, which will be backfilled with King County Trail Levy resources, \$500,000 of unreserved fund balance, and \$700,000 of Park District interest earnings, which are also added as revenues.

Partially reducing expense authority in Initiative 5.1 to reflect the early payback of the Interfund Loan from 2015. This front-loaded expense, backed by reserved fund balance, is reflected in 2018. The fund balance will be replenished with planned Park District revenues between 2019 and 2023.

Using the remaining expense authority in Initiative 5.1 to fund additional community center hours in Initiative 3.1.

Increasing expense authority in 2019 to reflect the front-loading of \$1.3 million in expense authority to develop Smith Cove Park, and moving \$221,276 from operating Initiative 4.7 to capital Initiative 4.6. This expense is backed by reserved fund balance, which will be replenished with planned Park District revenues between 2019 and 2024. The reduced expense authority in 2020 reflects the first instance of this fund balance replenishment. This plan also retroactively reflects this front-loaded expense in 2016 and 2018.

**Notes for 2019 Revised and 2020 Proposed Changes:**

**2019 Revised**

Several changes were made to the 2019 spending plan, including the following:

\$564,000 in additional appropriation for the Annual Wage Increase (AWI) consolidated in one line.

\$400,000 of additional interest earnings are being appropriated to cover the AWI expense.

Note that the small difference between AWI expenditures and revenues will be covered by fund balance or 2020 underspend.

\$625,000 funding exchange from Initiative 1.1 to Initiative 4.4 to fund the Belltown Orchard and Pea Patch project design.

**2020 Proposed**

Overall, the difference between 2020 Endorsed and 2020 Revised operating initiative reflects the appropriation of \$1.3M in interest earnings to support the AWI increases in 2020 (\$1.27M)

		AWI/SPFL	Health Care/Retirement
1.1	Major Maintenance Backlog and Asset Management	42,508	3,115
1.3	Saving Our City Forests	115,233	7,966
2.1	Increase Preventive Maintenance	159,391	5,298
2.2	Provide Clean, Safe, Welcoming Parks	279,079	16,042
2.4	Make Parks Safer	5,996	418
3.1	Restore Community Center Operations	302,477	18,284
3.2	Recreation Opportunities for All	14,234	572
3.3	Better Programs for Young People—Seattle's Future	94,233	4,789
3.4	Meeting the Needs of People with Disabilities	66,717	3,647
3.5	More Programs for Older Adults	23,500	4,865
3.6	Put the Arts in Parks	5,723	408
3.7	Get Moving Fund	6,887	531
3.8	Customer Service and Technology	14,472	1,047
4.3	Maintain and Activate Seattle's New Waterfront Park	24,864	
4.5	Maintain 14 New Parks at Land-Banked Sites	16,611	3,389
4.7	Maintain Smith Cove Park	17,888	
4.10	Performance Monitoring and Strategic Management	42,688	3,092
4.11	Urban Parks Partnership	30,147	889
		<b>1,262,649</b>	<b>74,352</b>

**2020 Revised**

The 2020 revised column includes the 3<sup>rd</sup> Q supplemental and 2020 budget revisions as described below.

Reflects the one time \$10M realignment of capital MPD funding with GF.

Changes include one time transfer of \$10M from initiatives 1.1, 4.1, 4.4, and 4.5 in the amounts in the 2020 Changes column.

The \$10 from capital initiatives is moving the two operating initiative, 3.8 to support technology infrastructure and 1.5 to fully fund annual Zoo maintenance support.

Changes include the appropriation of \$700K in operating carry forward resources in initiatives 1.3, 3.1, and 3.3. Funding is supporting natural area operations, park maintenance, and community centers.

Savings in operating initiatives 3.2, 3.3, 3.6, 3.7, and 4.11 are being used to offset Park Fund expenses in 2020 to partially address an estimated \$19.2M revenue shortfall in the Park Fund. Funding is supporting center city activation, event scheduling, and community centers.

Capital savings in initiatives 1.1 and 4.8 are transferred to operating initiatives to support aquatics, natural area operations and specialty gardens, golf utilities/maintenance, and park and facility maintenance,

2020 Q3 Includes two technical changes: corrects an error from 2018 related to the upgrade of PS 9.2. First, in 2017 a final revenue transfer of \$779K from the Park District to the now closed Parks Capital Fund (33140) was inadvertently missed by the Citywide Accounting team, thereby creating a negative fund balance in the Parks Capital Fund. In 2018, as part of the conversion to Summit 9.2, the Parks Capital Fund was consolidated into the Park Fund, creating a fund balance liability in the Park Fund. This fund transfer is necessary to correct the fund balance in the Park Fund by transferring revenue from the Park District.

The second technical change reflects the abandonment of \$401,926 from the Fix It First-CIP BSL to correct the budget for the Aquarium Major Maintenance Project (MC-PR-41004). The error occurred as part of the conversion to Summit 9.2 and resulted in the accrued budget amount of \$401,926 at the end of 2017 inadvertently being carried over in 2018 and subsequent years even though it was actually paid out in 2017. This item is

**Notes on Two Interfund Loans:**

In 2015, the Park District took out the first interfund loan against the Parks and Recreation Fund (10200) for \$10M know as the "Ramp Up" Year.

The original spending plan assumed that the loan would be paid off over the course of 8 years at a cost \$1,487,592 annually through 2023.

In 2018, legislation was passed to pay off the Ramp Up Year loan early rather than continuing to debt finance it. This saved outyear interest payments.

MPD revenues will continue to include \$1,487,592 in revenues to 'pay back' the MPD fund. There's currently about \$3M outstanding that will be paid by 2024 (assuming one year delay of repayment in 2021).

The second interfund loan was done in 2018 to pay for the development of Smith Cove Park.

The original spending plan assumed a 12 year debt financed plan with annual payments of \$697K scheduled to be paid off by the end of 2028.

However, similar to the 2015 "Ramp Up" loan, there was sufficient cash in the MPD to finance the project rather than issuing debt as originally planned.

Smith Cove took a \$3.9M interfund loan against the 2008 Park Levy Fund in 2016 which was also paid off in 2018.

MPD revenues will continue to collect \$697K annually to pay itself back. There's currently about \$3.2M outstanding that will be paid by 2024 (assuming one year delay in 2021).